

House Resolution 386

By: Representatives James of the 135th, Hugley of the 133rd, Abdul-Salaam of the 74th, Buckner of the 130th, Jordan of the 77th, and others

A RESOLUTION

1 Urging continued support for the Community Development Block Grant (CDBG) Program;
2 and for other purposes.

3 WHEREAS, the Community Development Block Grant (CDBG) Program has served as a
4 foundation upon which local governments across Georgia have created jobs, developed
5 affordable housing, stabilized neighborhoods, and provided important public services for the
6 past 22 years; and

7 WHEREAS, the United States Office of Management and Budget (OMB) recommends the
8 consolidation of 18 federal community development programs into a single program, which
9 will be housed in the United States Department of Commerce; and

10 WHEREAS, OMB's proposal further recommends the administration of community
11 development and other programs be placed at the federal level, despite the fact that Georgia
12 has responsibly and effectively managed the program for 22 years, building successful
13 relationships between local governments and the State of Georgia; and

14 WHEREAS, Georgia's CDBG Program has affirmed the concept of federalism where states
15 were given the responsibility for administering nonentitlement CDBG since the Reagan
16 administration; and

17 WHEREAS, the program, as administered by the state, has met and continues to meet
18 President Bush's goals of leveraging "economic development, providing robust job
19 opportunities, and creating livable communities" for Georgia's low- and moderate-income
20 persons; and

21 WHEREAS, as a result of this consolidation, programs with combined budgets totaling
22 nearly \$5.7 billion will be squeezed into a \$3.7 billion package, resulting in projected cuts
23 to the CDBG Program, which is currently funded at \$4.7 billion, of up to 40 percent; and

1 WHEREAS, cities and counties in Georgia receive nearly \$100 million annually in funding
2 from this program either directly from the United States Department of Housing and Urban
3 Development or through a competitive award from the Georgia Department of Community
4 Affairs; and

5 WHEREAS, the state-managed program has provided, on average, some \$47 million of
6 assistance to smaller local governments in the state over the past two years, while the larger
7 local governments received some \$48 million annually over this same time frame; and

8 WHEREAS, the strength of the CDBG Program lies in local determination of immediate
9 need, flexibility in how to address problems, a wide variety of eligible activities, and the
10 responsible administration of funds by state and local officials; and

11 WHEREAS, in the past six years alone, CDBG funds available to our smaller cities and
12 counties in the state have leveraged the creation and retention of 11,930 jobs; home
13 ownership assistance for 737 persons; construction of 92 homes; rehabilitation of 420 homes;
14 and construction of 397 public infrastructure projects, including construction or renovation
15 of public facilities, roads, and water and sewer systems serving 172,252 persons; and

16 WHEREAS, the Georgia Department of Community Affairs, the administering agency for
17 HUD/CDBG funds, has not only effectively designed and managed the CDBG
18 Non-Entitlement Program for small cities without incident for 22 years, but has also been a
19 responsible steward of federal funds and has developed programs tailored to meet specific,
20 critical state-wide needs, including the Employment Incentive Program, Redevelopment
21 Funds, and the Immediate Threat and Danger Program; and

22 WHEREAS, over the past six years, the state-tailored Employment Incentive Program,
23 funded with CDBG funds, has resulted in the creation or retention of 96 businesses and
24 11,394 jobs for low- and moderate-income persons, and each dollar of CDBG/EIP funds has
25 resulted in \$24.00 of private sector investment; and

26 WHEREAS, over the past six years, Redevelopment Funds have been used to rehabilitate 18
27 slum or blighted properties and create or retain 259 jobs, leveraging a total private and public
28 investment of well over \$24 million; and

1 WHEREAS, over the past six years, the Immediate Threat and Danger Program has funded
2 69 projects that provided potable drinking water, sanitary sewers, or otherwise alleviated an
3 immediate threat to the public's health and safety; and

4 WHEREAS, while Georgia's rural communities continue to suffer from declines in
5 traditional industries and face difficulties in arranging the resources to develop and attract
6 the new economic engines of the twenty-first century, the tenacity and innovation shown by
7 local governments in initiating local solutions to their needs point the way towards successful
8 concepts that can be cultivated and expanded; and

9 WHEREAS, the state-administered CDBG Program is playing a pivotal role in providing the
10 seed capital and leveraging of private funds needed for these communities to create and
11 implement their own local solutions; and

12 WHEREAS, the Georgia Department of Community Affairs has an unblemished record of
13 effective, fair, and responsible management of the Community Development Block Grant
14 Program; and

15 WHEREAS, as President Reagan observed regarding federalism, "With respect to national
16 policies administered by the states, the national government should grant the states the
17 maximum administrative discretion possible. Intrusive federal oversight of state
18 administration is neither necessary nor desirable."

19 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that
20 this body urges the continued support and full funding of the CDBG Program for city and
21 county community and economic development programs and projects, and supports
22 continued administration of the CDBG Program at the state level.

23 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized
24 and directed to transmit appropriate copies of this resolution to Governor Sonny Perdue and
25 the members of the Georgia Congressional delegation.